

Minutes of the Regular Work Session of the  
Board of Mayor and Aldermen, City of Kingsport, Tennessee  
Monday, June 18, 2012, 4:30 PM  
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis Phillips  
Alderman John Clark  
Alderman Valerie Joh

Alderman Mike McIntire  
Vice-Mayor Tom C. Parham

City Administration

John G. Campbell, City Manager  
J. Michael Billingsley, City Attorney  
James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:35 p.m. by Mayor Phillips.
2. **ROLL CALL:** By Deputy City Recorder Marshall. Absent: Alderman Tom Segelhorst and Alderman Jantry Shupe.
3. **WORK SESSION TICKLER.** Mayor Phillips commented on an email he had received from Domtar stating that if the Netherland Inn Roundabout was closed for six weeks it would cost them \$30,000. Assistant Public Works Director Michael Thompson stated that city staff has been in contact with them. Public Works Director Ryan McReynolds pointed out that even though it is a six week contract, they hoped to finish in four to five weeks. Alderman Joh gave details on a recent three day trip taken by the carousel carvers to visit antique carousels in North Carolina and South Carolina. She stated they learned what gets the most ridership.
4. **AQUATIC CENTER UPDATE.** Mr. Frank Brewer provided information on the recent construction activities, noting what has been completed thus far. He stated there are 55 to 60 workers presently, but that number will soon get up to 100. He then answered questions from the Board. Board members expressed a desire to visit the project soon.
5. **KINGSPORT CITY SCHOOLS UPDATE.** There was no school representative present.
6. **WATER AND SEWER LINE COVERAGE.** Public Works Director Ryan McReynolds gave a presentation on this item. He stated this third-party coverage being offered was only for the water and sewer lines between the meter and the house, noting damage inside the house would probably not be covered. He also pointed out these companies were already soliciting customers, but the city would get a fee if they partnered with them and added the fee to the water bill. Mr. McReynolds gave an example of a city that is already utilizing this service. Mayor Phillips was concerned that the public would not fully understand this was not a city service. Alderman Joh commented this may need to stay private. Alderman Clark noted we should wait and see what the demand for this service is. Mr. McReynolds stated he was not asking for an answer today, just consideration and feedback. He stated he would at least develop an RFP [request for proposal] and come back to the Board at that time.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of  
Kingsport, Tennessee, Monday, June 18, 2012**

**7. REVIEW OF AGENDA ITEMS ON THE JUNE 19, 2012 REGULAR BUSINESS MEETING AGENDA.** City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

**VI.AA.1 Public Hearing and Consideration of Ordinances to Annex/Amend the Zoning of the J.B. Dennis Annexation and Consideration of a Resolution Adopting the Plan of Services** (AF: 163-2012). City Planner Ken Weems provided details on this item. He noted a parcel was left out where Diane's Pit Stop Lounge was located. Mr. Weems stated the owners of this business were the only citizens present at the Planning Commission meeting. They voiced concerns over the different requirements for a beer permit in the city versus the county and noted they would go out of business if they were annexed. There was some discussion.

**VI.B.3 Consideration of an Ordinance to Amend the General Project Fund Budget by Appropriating General Obligation Public Improvement Bond Series 2012C** (AF: 203-2012). City Recorder Demming gave information on the three series of bonds that were sold, noting they received good rates.

**VI.D.1 Consideration of a Resolution Awarding the Bid for the Purchase of Five (5) Gasoline-Powered Police Pursuit Package 4-Door Sedans to Auto World of Big Stone Gap, Inc.** (AF: 179-2012). City Manager Campbell provided details on this item, noting the bid was competitive for the Dodge Charger and pointing out there was not a Chrysler dealership in the city. Chief Osborne confirmed these vehicles hold up really well.

**VI.D.4 Consideration of a Resolution Extending the Award for the Bid for the Purchase of Ultra Low Sulfur Diesel and B5 Biodiesel Fuel to Petroleum Traders Corporation, Inc.** (AF: 182-2012). City Manager Campbell provided information on this item, noting the benefits of having two companies. Fleet Manager Steve Hightower also answered questions from the Board.

**VI.D.9 Consideration of a Resolution Extending the Awarding of the Bid for the Purchase of Various Janitorial Supplies to Janpak Paper Supply Company** (AF: 186-2012). City Manager Campbell noted there was lot competition for this bid.

**VI.D.13 Consideration of a Resolution Authorizing the Issuance of Public Improvement Capital Outlay Extension Notes, Series 2012, for the Purpose of Extending the Public Improvement Capital Outlay Notes, Series 2008** (AF: 192-2012). City Manager Campbell noted these funds were put in place when the PDA equipment was purchased for the police department. City Recorder Demming provided further information noting the requirements established by the state for this process. Mr. Demming stated the notes could be issued for up to three years, with two three-year renewals for a maximum of nine years. This is the first renewal for these notes and the last as it was set up on a six year schedule.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of Kingsport, Tennessee, Monday, June 18, 2012**

**VI.D.14 Consideration of a Resolution Authorizing the Issuance of City of Kingsport Capital Outlay Notes Not to Exceed \$1,300,000 for an Inter-Fund Loan from the City's Water and Sewer Funds (AF: 193-2012).** City Manager Campbell provided details on this item, noting that after some analyzing, this type of funding was the most sound method to move forward with the lazy river project. City Recorder Demming pointed out that although the City would not be issuing any more debt this fiscal year, this could be redeemed at any time over the next three years.

**VI.D.15 Consideration of a Resolution to Express the Official Intent of the City of Kingsport That Certain Expenditures to be Incurred in Connection with the Expenditure of Funds in the Construction of the Municipal Aquatic Center be Reimbursed from the Proceeds of Notes, Bonds, or Other Indebtedness to be Issued by the City (AF: 194-2012).** City Recorder Demming provided information on tax-exempt debt, noting this resolution of intent was a state requirement and not an IRS requirement.

**VI.D.17 Consideration of a Resolution Authorizing the Mayor to Execute an Agreement with the Newly Merged Holston Valley Futbol Club to Provide a Recreational Youth Soccer Program and Concessions at Eastman Park (AF: 197-2012).** Assistant to the City Manager Chris McCartt gave details on this item, noting it was different from the previous annual agreements. He stated the soccer groups of northeast Tennessee have merged to form one group which should greatly benefit the sport, especially long term. He further stated an agreement has been put together and approved by the Park and Recreation Advisory Board as well as the merger group. Alderman Joh commented it wouldn't be easy the first few years but it would get better, noting a citizen that just went through this process in another area. Mr. Warren Austin commented this will make our region more competitive with Knoxville and Middle Tennessee.

**VI.D.18 Consideration of a Resolution Awarding for the Bid of Three (3) Propane Powered Utility Bed Trucks to Fairway Ford, Inc. (AF: 199-2012).** City Manager Campbell noted this bid was more competitive this time. Mayor Phillips commented he wanted to be able to get more local businesses involved, noting it was to the City's advantage to get more bidders. Procurement Manager Sandy Crawford explained the process for notification when there is a new bid. Mr. Campbell encouraged businesses to register with the purchasing department. The Mayor stated it might be beneficial to notify everyone that is registered with the city of all bid processes, even if it did not pertain to that business.

**VI.D.19 Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary for the Creation of a Not-for-Profit Tennessee Corporation for the Purpose of Establishing the Kingsport Higher Education Commission and Authorizing the Appointment of the Kingsport Higher Education Commission Board Members Along with Terms and Approval of the Not-for-Profit By-Laws (AF: 195-2012).** City Manager Campbell provided details on this item, noting this was the formal document that will be put in place July 1. Mr. Campbell stated he had been asked about the ex-officio members and pointed out they could be voting or non-voting, depending on how it's set up. Mayor Phillips commented that some of the terms listed were incorrect. Mr. Billingsley stated he would correct the resolution before tomorrow.

**Minutes of the Regular Work Session of the Board of Mayor and Aldermen of  
Kingsport, Tennessee, Monday, June 18, 2012**


**VI.D.20 Consideration of a Resolution to Authorize the Mayor to Sign All Documents Necessary to Apply and Receive the Assistance to Firefighters (AFG) Grant Through the U.S. Fire Administration of the Federal Emergency Management Administration (FEMA) Division of the Department of Homeland Security (AF: 201-2012).** Fire Chief Dye commented that this grant will not pay any city over one million dollars and asked for the amount to be reduced to \$970,000. City Attorney Billingsley stated he would change the resolution before the meeting tomorrow.

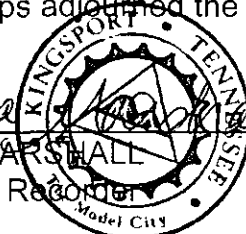
**VI.D.21 Consideration of a Resolution Settling FY13 Fees and Charges Provided for in the City Code (AF: 171-2012).** Budget Director Judy Smith provided a brief summary of what has changed, noting there were a few additions to leisure services and the water and sewer fees had been streamlined. Assistant to the City Manager Chris McCartt provided further information on the fees regarding leisure services. Mayor Phillips asked if language could be added to give the city manager discretion and authority to reduce and/or waive fees if necessary. City Attorney Billingsley noted the Board would have to set the parameter for this to occur. Public Works Director Ryan McReynolds discussed the water and sewer rates, noting this is the first raise in four or five years. He also noted that many misunderstood fees were removed from the sewer fees to streamline and simplify for the customers as well as the building inspectors.

**BOARD COMMENT.** Assistant to the City Manager Chris McCartt reminded everyone of the upcoming work on Bays Mountain Road, noting it would be closed during the week for three weeks. He stated that arrangements had been made with the contractor to allow the day camp to continue without interruption.

**PUBLIC COMMENT.** None.

**8. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:15 p.m.

  
ANGELA MARSHALL  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor